**Sample Fiscal Sponsor Contract**

Agreement for Fiscally Sponsored Project

This agreement is between the ABC Organization (the Sponsor) and the XYZ Project (the Project). Having determined that the goals of the XYZ Project are within the mission of the ABC organization, the ABC Organization board of directors has resolved to sponsor this project and has established a restricted account to receive and disburse funds solely for the purpose of carrying out the objectives of the XYZ Project.

Both parties agree to the following conditions:

1. It is understood that the Project is a program of the Sponsor. The Sponsor will assume responsibility for the proper expenditure and accounting of funds spent for Project activities and shall be responsible for ensuring that Project activities are within the charitable purpose of the Sponsor.

2. All grants, contributions, and other funds earmarked for the Project shall be received by the Sponsor and disbursed according to the Project budget.

3. In exchange for administrative and accounting services as outlined below, the Sponsor will receive 10 percent of the funds contributed for Project activities.

4. The Project will make quarterly reports to the Sponsor regarding activities carried out by the Project. All grant proposals and donor solicitation efforts will be approved by the Sponsor.

5. The Sponsor will pay Project staff under its regular payroll procedures. Project staff will be employees of the Sponsor and will be employed under the rules described in the Sponsor’s personnel policies. The Sponsor will make federal and state tax deposits and report earnings as required.

6. The Sponsor will approve and pay consultant fees within five days upon receipt of an invoice cosigned by the Project director. Consultant payments will be reported annually to state and federal tax authorities.

7. The Sponsor will prepare checks for bill payment within five business days of receipt of a check request. Proper receipts or invoices must be attached to check requests.

8. The Sponsor will prepare quarterly income/expense statements to report financial activities of the Project.

9. This agreement will begin on January 1, 20\_\_, and continue until dissolved by either party by giving 60 days’ notice.

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Sponsor Executive Director Date Project Representative Date